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A BILL TO PREVENT ABANDONMENT OF GOVERNMENT APPLICATIONS FOR PATENT

HEARING

BEFORE THE

Congress. House.

COMMITTEE ON PATENTS

HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

FIRST SESSION

A BILL TO PREVENT ABANDONMENT OF GOVERNMENT APPLICATIONS FOR PATENT

MARCH 29, 1916

COMMITTEE ON PATENTS.

HOUSE OF REPRESENTATIVES.

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ABANDONMENT OF GOVERNMENT APPLICATIONS FOR PATENTS.

COMMITTEE ON PATENTS,
HOUSE OF REPRESENTATIVES,
HOUSE OFFICE BUILDING,
Washington, D. C., Wednesday, March 29, 1916.

The committee met at 10.30 o'clock a. m.

Present: Representatives Oglesby (presiding), Smith, Crosser, Nolan, Carter, Glynn, and Charles.

The committee then proceeded to the consideration of H. R. 13720, a bill to amend section 4894 of the Revised Statutes relating to patent applications.

Mr. OGLESBY. There are one or two matters I wish to take up with the committee, and I am glad we have such an array of legal talent here this morning, because they may be of assistance.

I had a letter from Mr. Sherley this morning inclosing a copy of the bill which he had introduced, and the Commissioner of Patents has also just called the matter to my attention. Mr. Sherley's letter is addressed to the chairman of the committee, and is as follows:

COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES,
Washington, D. C., March 28, 1916.

Hon. MARTIN A. MORRISON,
Chairman House Committee on Patents, House of Representatives.

MY DEAR MR. MORRISON: On the 24th I introduced .H R. 13720, a bill to amend section 4894 of the Revised Statutes relating to patent applications. The amendment consists in the proviso, which is as follows:

"That no application shall be regarded as abandoned which has become the property of the Government of the United States and with respect to which the head of any department of the Government shall have certified to the Commissioner of Patents, within a period of three years, that the invention disclosed therein is important to the armament or defense of the United States."

The Committee on Fortifications has been considering the advisability of acquiring the patent rights and applications for patent of John H. Hammond, jr., and the Radio Engineering Co., of New York, and in this connection it developed that there is no method for keeping secret patents issued by the Government of the United States, and it may be highly desirable in the event that such patents and the applications are acquired for the Government to keep secret some of the inventions, and in talking the matter over with the Commissioner of Patents the amendment embodied in my bill was suggested. The result of its enactment into law will not keep secret patents issued by the Government, but will permit the Government to hold in patentable status applications for such patents that it might desire to keep secret and with full protection from the consideration of conflicting applications by others.

The amendment is carefully drawn to limit its benefits to the United States, and only to the United States in matters relating to national defense. It is extremely desirable that action be had upon this bill, and I will greatly appreciate it if you will take occasion to consider it speedily and report it, in which event I will get its terms embodied in the Fortifications bill that I expect to report in a few days.

Your early attention to this matter will be greatly appreciated.

Sincerely,

SWAGAR SHERLEY.

I requested from the Commissioner of Patents an answer to one or two questions with regard to the effect of this bill, and if the committee is agreeable I would be glad to take this matter up and give it a few minutes' attention now and ask the commissioner if he will kindly give us his opinion on this matter as to its effect.

STATEMENT OF HON. THOMAS EWING, COMMISSIONER OF PATENTS.

Commissioner EWING. Mr. Chairman and gentlemen of the committe, under the present statute, in order to prevent applications of private parties or applications owned by the Government from remaining in the office for an indefinite period before they are patented, the law requires that whenever the office takes any official action the applicant shall reply to that action within one year. The purpose of this act is to relieve the Government of that requirement where the invention is important to armament or defense. Every three years the matter would have to be brought up so that the question could be raised by the commissioner as to whether it is proper to take the patent out or whether it is to be abandoned.

The Government would have no right under this act to supplement the disclosure of the application in any way. The rules against the introduction of new matter into an application, whether in the drawings or in the specifications, are very strict and are strictly enforced. The public has suffered a good deal from the evil of delayed applications because applicants have modified their claims so as to take in things that were not in existence when they filed their application—to take them in in the sense that they were brought within the terms of the claim.

To give you an illustration of a case which was tried out in the circuit Court of Appeals for the second circuit, an inventor of a system known as the "Telesene system," used in hotels to call up the office and order anything that the guest wished to order from his room, where he was given a wide choice of articles, had an application on that system, and he drew a claim ultimately in the course of something over 15 years' prosecution, which embraced within its terms the central battery system in telephone communication, although the central battery system was not in existence when he filed his application on the Telesene and was not within his contemplation when he filed that application.

It is abuses of that sort which make it important that applications should not be delayed in the Patent Office. The Government would not be tempted to be guilty of that sort of abuse, for the reason that the Government would not conceivably sue on any patent that it took out and its claim could be of no special consequence. The disclosure could not be changed, but the disclosure would be there to protect the Government against a subsequent inventor, whether an independent inventor or a copyist, who filed an application and undertook to obtain a patent. If he did so he would find in the office the application owned by the Government, with its date of filing and its disclosure—all matters of record—and that application kept alive in spite of the general provision that an applicant must act within one year under the provisions of this act.

If the Government undertakes to enforce such an application against a subsequent inventor it would only be done by interference proceedings, and they would involve the disclosure of the application to the rival inventor, whose rights could then be determined in the light of the entire knowledge which the office had. But meanwhile, if any application is filed, the Government has the benefit of that application and of the secrecy of the office respecting it, and in case an interference does arise the Government has the option of disclosing the application and fighting the interference, or of keeping the application a secret to itself, or buying the party out.

That is the purpose of that act, and while I have nothing to say myself as to the policy that it involves of keeping these things secret, I think that if they are to be kept secret this is the only way in which it can be done.

Mr. SMITH. You see no objection to the bill——

Commissioner EWING. No; except I think it ought to be definitely understood that this thing will not be done lightly by the Government, that it will be done only because there is a serious reason why the application should be kept secret. We do not want a lot of secret things in the office, kept there for years. I am trying to get them all out.

Mr. SMITH. You do not think the Government would do that, do you?

Commissioner EWING. There is so strong a tendency to let things alone that anybody is stirring up that I am afraid it might happen in that way, and that is why I put in that express provision. It gives the commissioner a chance to raise the question, and I think that is sufficient for public protection.

Mr. OGLESBY. This provision at the end of the statute says:

Provided, however, That no application shall be regarded as abandoned which has become the property of the Government of the United States and with respect to which the head of any department of the Government shall have certified to the Commissioner of Patents, within a period of three years, that the invention disclosed therein is important to the armament or defense of the United States.

That may have a somewhat accentuated significance at the present time on account of the more or less excited state of the public mind over the situation. The committee would be glad to get suggestions from the gentlemen present who are conversant with that situation.

STATEMENT OF MR. FRITZ VON BRIESEN, ATTORNEY AT LAW, 25 BROAD STREET, NEW YORK CITY.

Mr. VON BRIESEN. Mr. Chairman, I attended the meeting this morning in the interest of another bill, and the existence of this bill, H. R. 13720, is a new thing to me. It so happened, however, that I am one of the patent counsel of the Winchester Repeating Arms Co., of New Haven, and it occurs to me that one or two matters should be considered by this committee which may have a bearing on the private manufacturing of arms and ammunition by private companies.

The Commissioner, who has just spoken, has stated that the United States Government would never bring suit on any letters patent that it acquired. That is news to me, that the Government should look upon patents which it may acquire as something other than a source

of monopoly. It seems to me that unless some definite provision is made the United States Government may very soon bring a suit against a private manufacturer for violating a patent. There is nothing to prevent it from doing so.

Then, under the provisions of this bill an application may be held in the Patent Office for 12 or 15 years and may then issue as a patent running for 17 years, and it is quite possible that a manufacturer like the Union Metallic Cartridge Co., of Bridgeport, or the Winchester Repeating Arms Co., of New Haven, may have invested two or three hundred thousand dollars in a plant to turn out this very invention, of the application covering which it knows nothing.

Now, it is a fact that a great many inventions are made by these very companies, patents for which are never applied for, so that no interference would be declared, and these manufacturers would have no means of knowing that the Government has a patent application pending there, and may keep it pending for a dozen, 15 or 20 years.

I am merely laying the facts before the committee in order that in using its judgment it may have the facts before it. I am quite sure that the Winchester Repeating Arms Co. will do all that it can to cooperate with the Government in keeping matters of this kind secret. I know they will make no objection to the bill, but I am sure they will be very glad to have had your attention called to the fact that injustice might result in case the Government should sometime feel like enforcing its patent rights.

Mr. OGLESBY. I understand the commissioner's position is that since the Government has never sued—would not sue on these patents to restrain anybody else from manufacturing an article if they should themselves make a similar invention or from the original inventor get information which he ought not to disclose but which he might disclose; but that the Government, having filed this application, would be in a position to prevent any private manufacturer from himself getting a monopoly in the manufacture of that article.

Mr. VON BRIESEN. That is very true, and I am sure we are all heartily in sympathy with that proposition. It is simply news to me that the Government would never sue on its patents. I doubt very much whether the Government has ever expressed the idea, either through its judicial department or its executive department——

Commissioner EWING. I was not stating that as a matter of news; I was simply stating it as a matter of opinion. I had no knowledge.

Mr. VON BRIESEN. You understand, Mr. Chairman, it may take an investment of half a million dollars some times to produce an invention, and some of these manufacturers might enter upon the manufacture of an article of that kind and then find that there is a patent application pending in behalf of the Government.

Mr. OGLESBY. You do not think any of the people you represent would spend half a million dollars in preparing to manufacture any kind of an article without first filing an application for a patent? The filing of that application would disclose the fact that the Government had an application pending covering the identical principle.

Mr. VON BRIESEN. I should hardly think so, but my experience has been that a great many of these inventions are worked as secret inventions without any patent being applied for in the Patent Office at all. Then again, they may not believe the invention to be patentable. We have had an instance of that very recently in an inter-

ference between the Union Matallic Cartridge Co. and the Winchester Repeating Arms Co., where one worked the invention and thought it was not patentable and the other man got a patent on it.

I am simply suggesting that if the committee is going to decide in favor of this bill it ought to indicate in some way that it is the opinion of the committee that the United States Government will never bring suit against an innocent infringer.

Mr. OGLESBY. I do not think we ought to put the Government in the position of estopping itself if it chose to bring suit. I do not think it would. The Government does not want a monopoly, but only to prevent others from getting a monopoly in some things which it might desire to use.

Mr. CHARLES. Will this bill be a protection to the Government in keeping their secrets of inventions for defense and so on?

Commissioner EWING. That is what it is intended to be. I think the Patent Office can be trusted. There was a suggestion made that we should send those papers to the War Department, but I pointed out that that meant two departments would know all about the thing, and one department was enough.

Mr. OGLESBY. If two departments knew about it you could never center responsibility for disclosure upon either one of them?

Commissioner EWING. No, sir. Of course, there are certain people in the War Department that would have to know in any event, but the papers might just as well remain in the Patent Office, and we are practiced in keeping secrets.

Mr. CHARLES. I think the Government is much too liberal about its secrets of defense and everything pertaining to defense.

Commissioner EWING. I do not think there is any serious danger to any private interest in this matter. I have been asked to let up on these applications where the Government owned them and not require that they be acted on with the promptitude that I am insisting upon in the case of private interests; but I have insisted that that is not very workable. While there may be reasons for letting the Government do things that private interests are not allowed to do, it creates a bad impression throughout the office, and there is some uncertainty as to why it is done, and so on.

Mr. CHARLES. Might I ask you what the policy of England, Germany, France, and Italy is in regard to this same proposition?

Commissioner EWING. In some of the countries they have secret patents and they keep these things a secret absolutely. But with us I think the idea of a secret patent is unthinkable. To my mind, under our system of law, it does not mean anything. We could neither enforce it against anybody nor use it as evidence.

Mr. BRADFORD. Would it not be a comparatively simple matter to add a proviso that would safeguard the rights of private interests that might intervene innocently after a certain period of time?

Commissioner EWING. Of course, we do not want to take away from the patent any force that it has. The Government acquires it, but as a matter of practical fact I do not believe that any private interest will run any risk.

Mr. OGLESBY. Do you not think that if any of these concerns manufacturing ammunition or armament have anything that is new or valuable they will certainly apply for a patent on it themselves?

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Commissioner EWING. Yes, sir; I am almos
this much can be stated, that they are certainly taking this risk now with respect to rival private concerns. It has been a large abuse in the past. This is to remove that abuse.

Now, having lived along all these years under the threats of injury and actual injury coming from private interests, I fail to see why we should be very much afraid of the threat of actual injury coming from the Government.

Mr. OGLESBY. Are there any other attorneys here that would care to make any suggestions?

Mr. DODGE. I would like to ask Commissioner Ewing if I correctly understood him that the Government might, when it owned an application of that sort, omit to declare an interference or to prosecute an interference and subsequently take out the patent?

Commissioner EWING. No; I did not mean that. I do not think that would be possible. I think the Government would either have to show its hand when a rival application is filed or lie down.

Mr. DODGE. If that is the effect of the bill, I do not see any objection to it, but if that is not guarded against I should consider it a very serious thing; because, as Mr. Von Briesen has suggested, large sums might be invested in the development of some particular manufacture, and if you file an application for a patent here, and the Government, without your knowledge of its application, should not declare an interference and let that patent go out, it might subsequently take its own patent and sue these people.

It is true, so far as I know, that no suit has ever been brought by the United States Government under a patent. Of course, there has to be a first time for everything, and I can readily foresee the possibility of a suit of that sort if the Government were of the opinion or if officials, anxious to show how active they were in protecting the public, should assume that the prices which private manufacturers were charging were unduly large, should bring this suit to force them down to lower prices or make it themselves and justify it under that patent. It seems to me that ought to be guarded against in some way.

Commissioner EWING. Mr. Dodge, there is not a word in this bill about interferences. The law of interferences is not changed in any way. The sole effect is to keep alive an application which would be abandoned if it failed to be used within one year. How could a change in that provision, the mere statement that the case will not be held abandoned if it is owned by the Government—how can that alter the right of rival parties?

Mr. DODGE. I do not think it can.

Commissioner EWING. I do not think it can; I do not think the question is raised.

Mr. DODGE. But I got that impression——

Commissioner EWING. I merely mean that if a rival files an application the Government has either got to show its hand or lay down. I presume the Government might have the privilege of abandoning its application and keeping it secret.

Mr. DODGE. In that event I do not see any objection to it.

Mr. OGLESBY. We will take this bill up, then, in executive session.

(The committee thereupon proceeded to the consideration of other business.)

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